

## Message Text

SECRET

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ACTION NEA-10

INFO OCT-01 EUR-12 IO-13 ISO-00 NEAE-00 ACDA-07  
AGRE-00 AID-05 CEA-01 CEQ-01 CG-00 CIAE-00 EPG-02  
COME-00 DLOS-09 DODE-00 DOTE-00 EB-07 EPA-01  
ERDA-05 FEAE-00 FMC-01 TRSE-00 H-01 INR-07 INT-05  
JUSE-00 L-03 NSAE-00 NSC-05 NSF-01 OES-07 OMB-01  
PA-01 PM-04 PRS-01 SP-02 SS-15 USIA-06 FPC-01  
STR-04 /139 W

-----041817Z 130464 /43

P 041715Z MAY 77

FM AMEMBASSY ROME

TO SECSTATE WASHDC PRIORITY 4373

INFO AMEMBASSY PARIS PRIORITY

AMEMBASSY TRIPOLI PRIORITY

AMEMBASSY TUNIS PRIORITY

USMISSION USUN NEW YORK PRIORITY

SECDEF WASHDC PRIORITY

CINCUSNAVEUR PRIORITY

COMSIXTHFLT PRIORITY

EUCOM PRIORITY

USDOCOSOUTH NAPLES PRIORITY

S E C R E T ROME 7274

E.O. 11652: GDS

TAGS: PFOR, PLOS, PBOR, ENRG, LY, IT, TS

SUBJECT: TUNISIAN-LIBYAN CONTINENTAL SHELF DISPUTE: DRILLING  
BY U.S. FIRM

REFS: (A) STATE 98421; (B) ROME 6910; (C) TUNIS 2994;  
(D) TUNIS 3027; (E) STATE 95427

1. EMBOFFS CALLED ON MINISTRY OF FOREIGN AFFAIRS (MFA) REPS  
(GALLI, OFFICE DIRECTOR FOR NORTH AFRICAN-MIDDLE EASTERN  
ECONOMIC AFFAIRS, HIS DEPUTY, AND SERGIO VENTO, DEPUTY  
DIRECTOR NORTH AFRICAN-MIDDLE EASTERN POLITICAL AFFAIRS)

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MAY 3 TO RE-EMPHASIZE CONCERN WITH WHICH USG VIEWED POSSIBLE  
INVOLVEMENT OF U.S. NATIONALS AND FIRMS IN LIBYA-TUNISIA  
CONTINENTAL SHELF DISPUTE, DRAWING EXTENSIVELY ON VELIOTES'  
LETTER TO READING AND BATES (REF (A)). EMBOFFS NOTED BOTH  
EXTRAORDINARY NATURE OF LETTER AND SEVERITY OF TONE. GALLI  
SAID THAT DRILLING COORDINATES CITED IN VELIOTES' LETTER  
WOULD PUT J.W. BATES AT SOME DISTANCE FROM SCARABEO IV

BUT CLOSER TO TUNISIAN COAST, AND WONDERED IF U.S.-OWNED RIG WOULD IN FACT REPLACE SCARABEO IV. MFA REPS WERE ADVISED THAT GOT WAS AWARE OF READING AND BATES' INTENTION TO DRILL IN DISPUTED AREA AND HAD REACTED STRONGLY AND NEGATIVELY. (GALLI HAD NOTED THAT GOI WOULD BE PUT OUT IF GOT TREATED U.S.-OWNED RIG MORE LENIENTLY THAN SCARABEO IV.) GALLI SAID THAT MFA HAD NOT BEEN AWARE THAT CONTRACT HAD BEEN FORMALLY SIGNED.

2. ROLE OF ENI (PARENT COMPANY OF SCARABEO IV OPERATOR SAIPEM) BRIEFLY DISCUSSED. EMBOFFS DREW ON REF (E), PARTICULARLY LONG-TIME ENI-READING AND BATES' CONNECTION AND APPARENTLY ACTIVE ENI ROLE IN ARRANGING NOC-READING AND BATES' CONTRACT. EMBOFFS DID NOT RPT NOT MENTION THAT ENI MIGHT PROVIDE INSURANCE COVERAGE (REF (E)). COMMENT. AS SET OUT PREVIOUS EMBASSY REPORTING, GOI (AND ENI) HAVE LONG SOUGHT MEANS WHICH WOULD EXTRICATE IMMEDIATE BONE OF CONTENTION--SCARABEO IV--FROM FIRING LINE. MFA REPS SEEMINGLY UNAWARE OF DETAILS OF ENI INVOLVEMENT IN LINING UP READING AND BATES, DESPITE REGULAR ENI-MFA CONTACTS ON SITUATION. WHETHER OR NOT ENI HAS KEPT THE MFA FULLY INFORMED OF ITS ROLE IN ARRANGING FOR READING AND BATES PARTICIPATION, THERE IS LITTLE DOUBT THAT THE MFA WOULD ACQUIESCE IN MEASURES DESIGNED TO GET ENI OFF THE HOOK WHICH WOULD NOT JEOPARDIZE MORE FUNDAMENTAL ITALIAN POLICIES IN THE AREA. END COMMENT.

3. SUBSEQUENT DISCUSSION FOCUSED ON OTHER ASPECTS OF LIBYA-TUNISIAN PROBLEM:

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(A) GALLI BRIEFLY REVIEWED FRENCH EFFORTS TO MEDIATE DISPUTE. NOTING THAT FRENCH HAD NOT YET MADE PRESENTATION TO LARG (OR FOUND SUITABLE INTERMEDIARY), HE INDICATED THAT GOI DID NOT EXPECT MUCH TO COME OF FRENCH EFFORTS.

(B) RE POSSIBILITY OF SECURITY COUNCIL REVIEW, MFA CONCLUDES THAT IMMINENT THREAT TO PEACE WOULD BE DIFFICULT TO ESTABLISH. DESPITE FACT THAT SCARABEO IV HAS BEEN BUZZED SEVERAL TIMES BY PLANES OF BOTH TUNISIA AND LIBYA, GALLI STATED THAT BOTH SIDES APPEAR UNWILLING TO PROVOKE AN INCIDENT. THERE HAS BEEN A MARKED ABSENCE OF VIOLENCE OR THREATS (ON THE SCENE, AT LEAST) FROM ALMOST THE BEGINNING. MOREOVER, GOI CONSIDERS GOT WOULD, AT BEST, GET A USELESSLY BLAND RESOLUTION FROM SC SHOULD DISPUTE BE INSCRIBED. ALL IN ALL, GOI AGREES WITH FRENCH THAT GOT SHOULD NOT TRY SC ROUTE.

(C) GOI IS INFORMED THAT FRENCH OIL COMPANY ELF WAS

RECENTLY WARNED BY LARG TO CEASE DRILLING IN HERETOFORE  
UNDISPUTEDLY TUNISIAN WATERS.

4. COMMENT: GOI HAS SEEN ITS INITIATIVES REJECTED BY  
BOTH TUNISIANS AND LIBYANS. (ACCORDING TO GALLI, GOT  
REJECTED GOI PROPOSALS TO SHARE DRILLING RESULTS OR  
DECLARE MORATORIUM ON EXPLORATION. LARG DID NOT REPLY TO  
GOI.) AND OBVIOUSLY SEES LITTLE POSSIBILITY OF INFLUENCING  
SITUATION, EITHER TO GET ENI OFF THE HOOK OR RESOLVE BASIC  
DISPUTE. GOI WILL CONTINUE EFFORTS TO RESOLVE PROBLEM,  
BUT IS MORE-OR-LESS RESIGNED TO PROBABILITY THAT SOLUTION  
WILL BE A LONG TIME COMING.GARDNER

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NNN

## Message Attributes

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**Disposition Date:** 22 May 2009  
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**To:** STATE  
**Type:** TE  
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